Pursuant to Article 10(1) of the EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR") this document describes the environmental characteristic promoted by Crossbay Fund III SCSp SICAV-RAIF ("the Fund") and the methodologies that are used to assess, measure and monitor the characteristic.

(b) No Sustainable Investment Objective

Crossbay Fund III SCSp SICAV-RAIF ("the Fund") promotes environmental characteristics but will not make any "sustainable investments" as defined in Article 2(17) of SFDR.

(c) Environmental or social characteristics of the financial product

The Fund promotes sustainability in real estate through the integration of the environmental characteristics listed below into its investment strategy:

Transition Risk Management

Involves the completion of sustainability due diligence assessments for all new acquisitions covering Transition Risk (categorised as CRREM misalignment year identification) and the ambition to implement energy/carbon improvement plans to mitigate the Transition Risk (CREEM misalignment year) where feasible through the investment strategy.

And/or

Green Building Certification

Involves the pursuit of green building certification (including operational in-use certification and design/construction certification) at the time an asset is acquired or upon fulfilment of its business plan.

(d) Investment strategy

The Fund is a Pan European Urban Logistics fund, which aims to aggregate assets located within a 30-minute drive to urban centres across major European cities and its focus will be on small- to mid-sized urban logistics assets and build-to-core infill developments in supply constrained markets. The Fund's business plan is anticipated to be centred around value creation, combining best-in-class sourcing with active asset management

In order to seek to ensure that the promotion of environmental characteristics is reasonably maintained by the Fund, the Fund implements the following requirements in the investment strategy. The Fund has established procedures in which the characteristics promoted by the Fund are considered during acquisition due diligence. For more information on this process see section (j) 'Due diligence' of this document.

For operational asset management, the Fund has established a set of procedures to support the characteristics promoted by the Fund. For more information on this process see section (f) 'Monitoring of environmental or social characteristics' and (g) 'Methodologies for environmental or social characteristics' of this document.

Fund invests in direct real estate investments only and will not invest in 'investee companies. As the Fund's actions will be taken directly in respect of its real estate assets, the Fund is not reliant on investee company management/boards to act in accordance with good governance practices.

(e) Proportion of investments

The Fund intends to promote the characteristics in a minimum of 70% of the investment of the Fund as measured by Gross Asset Value (GAV)[1] as at the end of the investment period of the Fund. The Fund does not commit to making sustainable investments as defined by Article 2 (17) SFDR. The Fund does not commit to making sustainable investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy Regulation (EU) 2020/852.

The attainment will be measured as a percentage of the total GAV (as defined earlier in this document) of the Fund being represented by real estate assets that meet the binding elements for one or more of the environmental characteristics promoted by the Fund. Investments that do not meet the binding elements of the investment strategy used to attain the promotion of environmental characteristics as described above "#2 Other", are not expected, as a maximum, to exceed 30% of the total value (by GAV) of underlying investments of the Fund.

(f) Monitoring of environmental or social characteristics

The attainment of the environmental characteristics promoted by the Fund will be measured using the following indicators:

Transition Risk Management

- (%) of the total GAV represented by real estate assets that have had CREEM misalignment year assessment completed.
- (%) of the total GAV represented by real estate assets with an energy/carbon improvement plan drafted.

Green Building Certifications

- (%) of the total GAV represented by real estate assets that have attained a Green Building Certification.

The Fund assesses the above indicator information requirements for all new acquisitions during the due diligence phase. The sustainability indicators above and information requirements will be measured and evaluated on at least an annual basis, using data from third parties including, but not limited to, utility providers, property managers, environmental consultants and tenants.

(g) Methodologies for environmental or social characteristics

The following methodologies are used to measure how the characteristics promoted by the Fund are met during asset management:

Transition Risk Management

- Tracking the status of transition risk through CRREM misalignment year.
- Tracking agreed energy/carbon improvements at asset level using defined plans.

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[1] The gross asset value of the Fund's assets calculated as at 31 December in EUR in accordance with current RICS valuation – Global Standards, which incorporate the International Valuation Standards (IVS), as published by the Royal Institution of Chartered Surveyors.

Green Building Certifications

- Tracking assets with certifications or ratings requiring renewal.
- Tracking assets with new certifications or ratings.

For details of methodologies applicable to the acquisition due diligence stage see section (j) 'Due diligence' of this document.

(h) Data sources and processing

The sources of data used to attain each characteristic promoted by the Fund include both internal (asset managers) and external sources (utility providers, property managers, environmental consultants and tenants).

The Fund will implement appropriate risk-based procedures to reasonably ensure continued alignment where feasible with the characteristics and acknowledges the dependencies between the Fund and the external third parties (utility providers, property managers, environmental consultants and tenants) regarding regular access to accurate information and data.

To the extent feasible, any energy/carbon data will be processed using a preferred external software platform and/or internal data housing. Where available and possible, the Fund will use actual data sources; however, where actual data sources may not be available due to any limitations (see section (i) 'Limitations to methodologies and data') the Fund will utilise reasonable estimation methodologies. The Fund will disclose the proportion of data that is estimated for each reference period periodic disclosure.

The Fund will, where possible, seek to improve data and disclosure provision in relation to the Fund, by regularly reviewing the performance of the characteristics and indicators.

(i) Limitations to methodologies and data

The Fund aims to measure and reassess the characteristics for each investment on at least an annual basis, using information obtained from internal sources and data from third parties including, but not limited to, utility providers, property managers, environmental consultants and tenants. During asset management, the Fund may not be able to extract exact updated information on an annual basis from third parties, owing to the lack of control over property managers, tenants and other parties in relation to real estate assets.

Despite these limitations, the Fund will take reasonable steps to mitigate the risk of these limitations hindering the Fund's ability to meet its promoted characteristics – these include (as appropriate), assessing third party data availability, quality and methodologies, comparing data points between third parties or against its own internal analysis and using appropriate estimations to manage data gaps, if required.

(j) Due diligence

All new Fund assets will undergo sustainability due diligence. The sustainability due diligence process relevant to the characteristics promoted by the Fund involves checking and confirming various aspects related to the topics:

Transition Risk Management

- Understanding availability of energy/carbon data required to complete a CREEM assessment.
- Identify potential energy/carbon improvement areas and capex requirements.

Green building certifications

- Check existing certification status.
- Confirm certification renewal dates and/or dates for new certifications if applicable.

This process ensures that key elements related to the characteristics are reviewed and managed effectively. The status of the alignment/nonalignment for each characteristic is documented in the Investment Committee memo in addition to any capex recommendations for the asset business plan.

The Fund Investment Committee will consider the findings of the due diligence and will incorporate them, as deemed feasible and applicable, into the decision-making process and business planning.

(k) Engagement policies

The Investment Manager will engage with relevant stakeholders and property managers before making an investment to ensure they can provide adequate information for assessing the asset against the Fund's promoted characteristic. Additionally, the Investment Manager will maintain periodic engagement with relevant stakeholders to receive ongoing monitoring information deemed necessary. Any issues identified during the investment process will be discussed with the property manager of the real estate asset and reviewed during the Fund’s relevant periodic reviews.

The Investment Manager also seeks to engage with the property manager of the real estate asset on any material sustainability related controversies that occur during the investment period, which the Investment Manager seeks to monitor on an ongoing basis. A sustainability-related controversy is defined as any confirmed breach of applicable law, regulation or binding standard directly related to environmental, social or governance matters relevant to the real estate assets held by the Fund.

(l) Designated reference benchmark

There is no reference benchmark designated for the purposes of attaining the characteristic promoted by the Fund.